



# भारत का राजपत्र

## The Gazette of India



प्रसाधारण  
EXTRAORDINARY

भाग II—खण्ड 2  
PART II—Section 2

शासिकार से प्रकाशित  
PUBLISHED BY AUTHORITY

सं० 1] नई विलासी, शुक्रवार, जनवरी 4, 1991/पौष 14, 1912  
No. 1] NEW DELHI, FRIDAY, JANUARY 4, 1991/PAUSA 14, 1912

इस भाग में विभिन्न पृष्ठ संलग्न हो जाती हैं कि जिससे कि यह अन्य संकलन के रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed  
as a separate compilation.

### LOK SABHA

The following Bill was introduced in Lok Sabha on 4th January, 1991:—

BILL No. 3 OF 1991

*A Bill further to amend the Reserve Bank of India Act, 1934.*

BE it enacted by Parliament in the Forty-first Year of the Republic of India as follows:—

1. (1) This Act may be called the Reserve Bank of India (Amendment) Act, 1991.

(2) It shall be deemed to have come into force on the 15th day of October, 1990.

2. In the Reserve Bank of India Act, 1934 (hereinafter referred to as the principal Act), in section 33, in sub-section (4), for the figures and words '0.118489 grammes of fine gold per rupee', the words "a price not exceeding the international market price for the time being obtaining" shall be substituted.

Short title and commencement.

Amendment of section 33 of Act 2 of 1934.

Repeal and saving.

Ord. 7  
of 1990.

3. (1) The Reserve Bank of India (Amendment) Ordinance, 1990 is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act, as amended by the said Ordinance, shall be deemed to have been done or taken under the principal Act, as amended by this Act.

## STATEMENT OF OBJECTS AND REASONS

Gold held by Reserve Bank of India as part of the country's foreign exchange reserves was being valued at the rate of 61.18489 grammes of fine gold per rupee (Rs. 21.86 for 10 gms). This valuation rate was specified by sub-section (4) of section 35 of the Reserve Bank of India Act, 1934.

2. The prescribed rate was much below the international price and far below the domestic price. In fact, the domestic price of gold as on 3-9-1990 was Rs. 3372 for 10 gms, while the LME (London Metal Exchange) price, which is a standard indicator of international price, as on 3-9-1990 was Rs. 2180 for 10 gms. Thus the valuation under the Reserve Bank of India Act was about 1/40th of the domestic price and 1/26th of the international price.

3. Revaluation of the gold holding from time to time in accordance with the international price movements could alone present a more realistic picture of our foreign exchange reserves—particularly while making inter-country comparisons.

4. In view of the recent developments in the Gulf region and consequent impact on foreign exchange reserves position, there was an urgent need to ensure realistic reflection of levels of foreign exchange reserves without any loss of time. As Parliament was not in session and it was necessary to avoid misconceptions about the levels, and consequent impact on confidence in the soundness of the balance of payments position in the country at this critical juncture, the President promulgated the Reserve Bank of India (Amendment) Ordinance, 1990 on the 15th October, 1990 to amend the aforesaid Act to provide that the valuation of the gold coin and gold bullion shall be at a price not exceeding the international market price for the time being obtaining.

5. The Bill seeks to replace the said Ordinance.

NEW DELHI;

*The 26th December, 1990.*

YASHWANT SINHA.

K. C. RASTOGI,  
Secretary-General.